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Development (1948) Department.

MS SERIES.

G.O. No. 2250

Dated 5-5-48.

[Despatch Abstract.]

M.L.C. Starred Question No.64 of 1947--- Allotment and Distribution of Iron, Steel, Coal and Cement- Papers Received.

Allotment of quotas of Iron, Steel, Cement and Coal to this Province.

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88 Q. Sri R. Suryanarayana Rao: Will the Hon. the Minister for Industries be pleased to state:-

(a) whether the Government of India have been allotting quotas of iron and steel and cement and coal to this Province;

(b) if so, what the quotas have been during 1944-45, 1945-1946, 1946-47, 1947-48;

(c) How these quotas have been distributed and for what purposes;

(d) what the arrangements for distribution of these quotas have been; and

(e) whether the Government have under consideration schemes for improved methods of distribution, and if so, what they are?

The Hon Sri H. SITARAMA REDDI:-

Iron and Steel.

"(a) Prior to 1947 no separate quota of iron and steel was allotted to this Province.

(b) The quota allotted to this Province for 1947 is 31,000 tons.

(c) The Provincial quota is intended for the general public including small manufacturers of consumer goods. The main purposes for which the quota is utilized include agricultural purposes, construction of public utility and private residentail buildings and samll industrail establishments and manufacturers of consumer goods. This quota is made available through registered stock-holders and all releases are made on permits issued by the Provincial Steel Controller (Director of Industries and Commerce) in favour of the consumers.

(d) Prior to the allotment of a separate quota for this Province in 1947 the distribution of steel was effected by the Iron and Steel Controller, Calcutta, with the assitance of the Regional Deputy Iron and Steel Controller at Madras.

(e) A scheme for the reorganization of distribution of the Progincial quota or iron and steel is under consideration of the Government. It is also proposed that 30 per cent of the Provincial quota should be earmarked for agricultural purposes.

Coal.

(a) yes

(b) During 1944 the quota of coal and coke allotted was 67 wagons per month. This was increased to 75 wagons per month in March 1945. From October 1945 anadditional quantity of 10 wagons of by-product hard coke was also sanctioned for the use of foundries and engineering works. In December 1945 the total quota was further increased to 150 wagons per month (including 10 wagons per month of by product hard coke). With the transfer to the Provincial Coal Controller of work relating to distribution of coal to tobacco-curing concerns and re-drying factories from the 1946-47 seasons, a quota of 100,000 tons of tobacco-curing and 8,080 tons for re-drying factories was allotted to this Province. In addition to the above supplies a separate quota of 100 wagons of slack coal per month for brick manufacturing concerns was allotted in October 1945 and later increased to 166 wagons from December 1945 until June 1947 when it was reduced to 76 wagons per month. The quota for the 1947-48 season has yet been intimated.

(c) & (d) Till March 1946, allotments were made to the various industrail establishments according to their requirements. Since then, fixed allotments have been made to 28 classes of industries attached to the Provincial Coal Controller as in the Statement I placed on the table of the House. A separate quantity is set apart fro the Provincial Depot-holders (Class Z. MS.) as shown in the statement I for distribut to small-scale industries in accordance with permits issued by the Provincial Coal Controller. To avoid complaints and to ensure equitable distribution of coal to tobacco-curing and redrying factories. Inspectors have been appointed in four centres, Chirala, Ongole, Funtur and Bezwada. Each Inspector is assisted by an Advisory Committee consisting of five members nominaated from among the tobacco curing ryots and releases of coal are effected and permits issued to the ryots by the Inspector on the recommendations of the Advisory Committee. The number of dealers for retail distribution has also been increased from 3 to 5.

(e) With a view to actively associate the tobacco-curers with the distribution of coal it is proposed by the Director of Industries and Commerce to enlist representative tobacco ryots' associations as dealers for distribution ofcoal for tobacco-curing purposes whenever they are in a position to engage in the trade.

Cement.

(a) The Government of India have been allotting a monthly quota of cement to this Province which covers the jurisdictions of the Regional Honorary Cement Advisiers, Coimbatore and Madura.

(b)	1944-45 (November 1944 to March 1945)	41,590
	1945-46	2,55,570
	1946-47	3,69,520
	1947-48 (April & May 1947)	54,001

(c) A statement showing the distribution of the quotas of cement is placed on the table of House.

(d) The demands are divided for purposes of convenience into two categories, viz., small and large. Small quantities generally speaking range from a bag to a couple of tons while large quantities constitute 10 tons and above or wagon loads. In order to meet the numerous demands of the public for small quantities, a bulk allotment is made to the suppliers, viz., The Cement Marketing Company of India, Limited, Coimbatore, Madras and Bangalore, and the Adnhra Cement Company, Limited, Bezwada. They in turn, distribute the monthly allotments among their several stockists as early as possible and in proportion to the importance of an demand at the various centres. The stockists distribute the stocks they receive to the small consumers in an equitable manner at rates and under a system approved by the Government of India.

"In the case of large demands, authorizations are issued on suppliers who a rrange despatches from the factory direct, generally in the order of dates of booking, except those which carry special priority.

(e) The question of this Government's undertaking distribution is under correspondence with the Government of India."

Sri R. Suryanarayana Rao:- "May I know, Sir, from the Hon. Minister whether allotments for big constructions such as niewspaper offices are given from the provincial quotas or from the speical quotas of the Government of India?"

The Hon Sri. H.SITARAMA REDDI:- " On the 8th of this month the Government of India have announced that in the quotas that are usually allotted for industries newspapers have also been included for the year 1948. There is no allotment for such offices from the Provincial Government and if any such allotment is given, it is purely at the discretion of the Provincial Government".

Sri R.Suryanarayana Rao: "May I take it, Sir, that if applications are made for such large allotments, they will not be given in future from the provincial quotas which are intended for small consumers and agriculturists?"

The Hon Sri H.SITARAMA REDDI:-" Yes, Sir, Such applications will be forwarded to the Government of India."

Sri R. Suryanarayana Rao:- "May I know, Sir, whether the local controller and his assistants have any knowledge of engineering to assess correctly the value of the requirements of the applicants?"

The Hon . Sri H. SITARAMA REDDI:- "Usually the local controllers assess the requirements by the plans and estimates that are usually submitted. If any persons whants to build a house and if he submits the plans and estimates for the building, the officer will have to depend upon those plans and estimates which are prepared by proper engineers, and then he makes the allotments according th the availability of the material".

Sri R. Suryanarayana Rao:- "May I ask the Government, whether they have considered the question of decentralising the distribution in view of the policy that they have already announced, in order to ensure quick disposal of these applications?".

The Hon Sri H. SITARAMA REDDI:- "There are certain difficulties in the way of decentralization becuase the Steel Controller recognizes one person known as the Provincial Steel Officer. There are also certain other difficulties. Arrangements are made in the office of the Director of Industries to see that applications are dealt with as expeditiously as possible and I may give for the information of the Hon. Member that everyday a t least 500 permits are issued by the office of the Director of Industries for the last ten days."

Sri R,Suryanarayana Rao:- "May I know what steps are taken by the Government to see that the allotted quota is of the material by selling it in the black-market."

The Hon. Sri H. SITARAMA REDDI: "When any quota is given, it is given on the basis that it will be used for the purpose which it is asked for, and if any cases are brought to the notice of the Government that it is being used for a purpose other than the purpose for which it is intended, suitable action will be taken by the Government".

Sri R.Suryanaryana Rao:- "Are the Government aware that if the required quantity is not allotted at one time, some times the allottees are forced to abandon the works for which they have made applications and they make profitable use of the material by selling it in the black-market.

The Hon. Sri H. SITARAMA REDDI:- "If it is brought to the notice of the Government that a particular allottee is black-marketing in the quota that has been allotted to him, Government will certainly prosecurte him or otherwise take such action as is necessary against him."

Sri B. Bhima Rao: "Will the Government consider the appointment of some agency to check whether the material supplied has been utilized for the purposes for which it has been applied for?"

The Hon. Sri H. SITARAMA REDDI: " I may inform the Hon. member that Government will not appoint any staff for this purpose after all, there may be only a few cases and it may not be worth while for the Government to appoint various officers for this checking business."

Dr. Sir. A. Lakshmanawami Mudaliyar:- "May I ask the Government Sir, whether the requirements of steel and cement for the building of colleges by the University or other colleges are provided from the provincial quota or from the Government of India quota?"

The Hon. Sri H. SITARAMA REDDI:. "My own feeling is that it does not come underindustry. So far as I know, there are no specific cases like that. The Provincial Government gives quotas for the purpose of building small school, hospital and some other institutuions, but for large constructions like the University buildings, if application is made to the Government, I would take it up with the Government of India to see that a special allotment is made for such constructions.

Dr. Sir A. Lakshmanawami Mudaliyar:- "Thank you, Sir,"

Sri R. Suryanarayana Rao:--"When an application is made for a certain quota of iron and steel, Sir, the whole quota is not given. It is divided into four quarters and if in the succeeding quarters, the remaining quantity is not given, what is the allottee to do except to abandon the work and sell the steel given to him? I do not say that he is blackmsrketing. But, unless the full quota is geven, he cannot complete the work. Therefore, may I suggest to the Government to examine this question and to see that, when application for a certain quota is made and when the officer is staisfied that the quota is required for the completion of the work and that the work is essential, the full allotment is made, so that the work may be completed within the required time?"

The Hon. Sri H. SITARAMA REDDI:- "Sir, the suggestion is very good. But, there are difficulties. Only small quotas will be available and out of that lot, the officer has to meet the demands of the various people. People who undertake the construction will have known that it is very difficult to get iron and steel and so, they must plan their constructions in such a way that they may wait for the next allotment that comes in the next quarter."

TO BE PLACED ON THE TABLE OF THE HOUSE.

(Vide answer to Legislative Council Starred Question No.64.)

Statement Showing allotments of coal made to the different classes of industries.

Classes of industries.	Number of Wagons fixed per month.
Municipalities and water works (MWW)	38
District Boards and Public Works Department P.WD PlusMIS)	8
Engineering Concerns (ENG)	17
Glass Works (GLS)	10
Chemical Industries(CHM)	14
Distilleries	13
Rerolling Mills (RRL)	4
Potteries (POT)	17
Enamel Works (EMW)	5
Leather Works (LTH)	2
OIL Mills (OLE)	52
Lime Stone Work (L.Ms)	4
Soap Works (SOP)	5
Provincial Depot Holders for domestic consumptions and small scale industries (ZMS)	55
Dairi s (DAR)	1
Jails (JAL)	1
Steam Ferries (SS)	1
Rubber Works (RUB)	1
Food Products Dehydration and Flour Mills (FOD)	21
Education (EDU)	1
Total...	270

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To be placed on the Table of the House.

(Vide answer to Legislative Council Starred Question No.64):

Statement showing distribution of the allotment of cement.

Period.	Large scale industries.		Provincial Service.		Central Public Works Department.		Essential Services.		A.R.P. requirements.		Indian States		Public requirements.		
	T	C	T	C	T	C	T	C	T	C	T	C	T	C	T
November 1944/ March 1945.	8,012	13	9,521	17	551	3	7,682	2	29	3	4,860	0	23,860	15	54517
April 1945/ March 1946	26,926	8	31,299	11	2,085	19	26,186	15	...		44,658	15	88,317	14	219,37
April 1946/ March 1947	45,838	10	54,569	7	2,557	1	30,740	8	...		35,248	5	142,157	14	311,11
April 1947.	3,895	0	10,000	15	..		2,909	18	...		219	0	10,588	17	27613
May 1947.	2,315	10	3,483	0	24	0	3,677	12	...		640	0	10,075	0	20615

Note: The total figures for 1947-48 cannot be made available at present for the following reason
For each month on the basis of theanticipated production of each factory for that month allotments for the different Regional Honorary Cement Advisers are decided by the Hon. Cenment Adviser to the Government of India, New Delhi and communicated to the respective Regional Cement Adviser towards the end of the each month. These allotments are distributed during th following month among the several demands by the Regional Hon. Cement Adviser.

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Note File:

A.S

The printed proceedings of the Council on pp 33-36 cf

the questions on p. 1 cf may be perused

With reference to the supplementary questions and

answers at pages 34-36 cf, no action seems called for. The

same may be recorded.

G.O. Ms. No.2250, dated 5.5.1948
Abstract.
Madras Legislative Council
Starred Questions No. 64 of
1947- Allotment and Distribution
of Iron, Steel and Coal and Cement.-
Papers recorded.

True Copy

Superintendent,
Madras Record Office.

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